App. F. IX-4

Previous References

1931-2 ( )

L. (M

File No. 22-31

Serial Nos. 1-2

preserve

Later References

∝ MM 2-32 (1-4)

L. (M. 1-33 (1-3)

General and Revenue Secretariat.

Serial Nos. 170

P 11 (C)

Part B for year 32

SUBJECT.

Partial withdrawal of concessions enjoyed by Cooperative Institutions and members - Issue of in the matter of exemption from payment of stamp & Registration fees on documents executed by such

D 333 r of 31-12-31.

To Regr. C.S.

State that Government do not consider it necessary to reconsider the order already passed

GENERAL AND REVENUE SECRETARIAT.

(C.S. / LM)

NOTES.

File No. 22-31

FILE HEADING.

Re. Partial withdrawal of the Concessions enjoyed by the Co-operative institutions and members thereof in the matter of exemption from payment of St. & Regn fees on documents executed by/in

FROM

The Registrar of C. S.

No. 3824/C.S Dated 7-12-37. Received 8-12-37.

Diary No. 2159	Enclos. 2 Spare copies	Serial No. 15.

BRIEF ABSTRACT OF LETTER.

Recommends for the reasons stated by him, Continuance of enjoyment by the L.M. institutions, of the Concessions Granted to Co-operative Societies in Rotns No: M: 1300 dated 25/26 of 9-9-10 and 16-2-06 respectively for a period of 5 years at least from 1-8-3 in the matter of payment of Stamp fee & Registration fees (prayed on documents exec

Both destroyed. G

NOTES AND ORDERS.

1 For the reasons explained in paras 2,3 & 4 of his letter, it is for orders whether the Registrar's recommendation may not be favourably considered. Submitted with available references.

CS Regd 16-12-37

2 No doubt the Regr has strongly urged the desirability of Continuing to the L. M. Banks

NOTES—First Sheet.

WD 01683—GPB—5,000—3-5-29

certain concessions which the Co-operative Institutions in general enjoyed before the passing of the recent orders. But any Special Concessions shown to Land Mortgage Banks cannot but elicit public Criticism that some invidious distinction is made between these institutions and the other Co-op. Societies which have been in existence for over 20 years. Institutions which have enjoyed the privileges for a long time seem to have a better claim for the Continuance of the privileges than the Newly started ones like the L. M. Banks. If like the Spartan child, the L. M. Bank is exposed to difficulties in its infancy & survives then there will be no fear of its collapsing in the middle - It is sure to live long.

17/12/31

Dy. Secy)

3. There is a tendency on the part of this institution to develop into a Stonified one. The Govt. are already making a liberal grant towards the working Expenses of the Bank. The Profit of the Bank has already limited in another connection that Subvention for working Expenses should continue for some years. ~~A deputation from the Rep~~ Says that the grant of public concessions will enable the L. M. institutions to rapidly strengthen their position. But he does not say how the partial withdrawal of the concessions has effected the position of these banks. We should not fail to take note of the fact that the L. M. Bank is Essentially a Co-op. institution and as such it cannot Expect a treatment different from that accorded to other Co-op. institutions. Further

Serial No.

it has to be borne in mind that the charitable Banks and Charitable & the L.-w. institutions are the very persons who would ordinarily have sought the aid & Corp. Societies if this additional Convenience had not been provided for by Govt. Unless it is clearly proved that the levy & fee under Stamp & Reg. Rules operates as a clear hardship, it does not seem necessary & advisable to rescind the orders already passed and make an Exception in this case.

1st Member)

4. I agree

19/12

24/12

23/12/31

23/12

23/12

5. Submit with a draft for Consideration

For approval

24/12/31.

Govt. Secy)

23/12

Some

24/12

26/12

SECRETARIAT 26 DEC 1931 FINANCE

To The Regr. C.S.

D 3335 dt 31-12-31

Observes that CM institutions being essentially Cooperative institutions, cannot expect a treatment different from that accorded to other Cooperative institutions in the state and states that Govt do not consider it necessary to reconsider the orders already passed in this respect.

SECRETARIAT 31 DEC 1931 DEVELOPMENT BRANCH

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

No. 3824 CS.

Telegraphic Address:
"CO-OPERT"
BANGALORE

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE.
OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

Dated, Bangalore, 5th December *1931.*

~~CS 3-31-15~~ RM 22-31-1 D 2159

GEN. & REV. SECRETARIAT
DEC. 1931
DEVELOPMENT BRANCH.

FROM

K. H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE, BANGALORE.

DEVELOPMENT SECRETARIAT
7. DEC. 1931

To

B.T.Kesava Iyengar, Esq;, B.A.,
Secretary to Government,
Development Department,
BANGALORE.

Sir,

With reference to Government Notifications Nos. D.316/C.S. 13-31-4 and D.311/C.S. 3-31-3 dated 15/17 and 17th July 1931 respectively directing the partial withdrawal, from 1st August 1931, of the concessions previously enjoyed by Co-operative Institutions and members thereof in the matter of exemption from payment of stamp and registration fees on documents executed by them in connection with the business of such institutions, I have the honour to forward herewith copy of letter No. S.I.143 dated 8th October 1931, and its enclosures received from the President, Mysore Co-operative Land Mortgage Bank, requesting continuance, at least in the case of Land Mortgage Institutions, all the concessions that were being enjoyed by Co-operative Societies prior to 1st August 1931, namely full exemption from payment of all fees under the Stamp and Registration Regulations, and to state as follows:

1. The Land Mortgage institutions are, unlike the ordinary co-operative societies, of an experimental nature and still in an infant stage. The full concessions will greatly enable them to rapidly strengthen their position and place it on a solid footing. The ordinary co-operative societies might be able to withstand removal of the concessions now, because they have enjoyed them for over 20 years. Even the partial withdrawal of the concessions will seriously prejudice the successful working of the land mortgage institutions, particularly the

the land mortgage societies.

2. Secondly, the members of the Land Mortgage institutions are restricted to a maximum dividend of only 5%, as against the much higher maximum of 7½% fixed for the ordinary societies. Thus, there can be no fear that these institutions will avail of the facilities to distribute larger dividends at the expense of Government.revenue.

3. The Land Mortgage Societies do not transact any independent business out of their own funds. Their income is solely derived by the margin of interest of 1% accruing to them between the rate at which they borrow, from the Land Mortgage Bank, and the rate at which they lend to the borrowers long term moneys. They also charge an investigation fee to their members for meeting expenses of investigation of loan applications, and these fees are fairly heavy being not less than Rs.5/- per loan application. But in view of the heavy duties involved and the staff required to carry on the work of a land mortgage society, and the heavy initial expenses incurred in the purchase of books, forms, registers, etc., the land mortgage societies are unable to meet their expenses of working from their income. On top of this now, they have to pay in the case of every loan application sanctioned by the Bank, half registration fees on the relative transfer deeds of mortgage executed by the Society. This payment has to be met from the Societies' income which is hardly adequate for their working. It would be hardly fair to recover these registration charges also from the borrowers concerned as the latter have to pay half charges when they execute the mortgage deeds in favour of the Society, and the additional levy would virtually mean that no concession is shown to them. The liability to meet the registration charges payable by them from their income and the imperative need to waive these charges immediately was very emphatically brought to my notice by the land mortgage societies of Tumkur and Nagavalli which have already had to pay appreciable amounts. It may also be mentioned in this connection that except for a small grant of Rs.25 to 50 or Rs. 75/- for purchase of the initial equipment such as books and forms, furniture, the Societies receive no grant for meeting their recurring working expenses or other aid from Government.

4. Under the above circumstances, it is desirable to ~~concede~~ continue to the Land Mortgage Institutions, the facilities given to them prior to the above mentioned Government Orders, for a period of at least 5 years more. All the land mortgage societies have represented the need for these concessions being shown in full. Without these concessions it would be most difficult for the land mortgage institutions, particularly the land mortgage societies, (for in the case of the Land Mortgage Bank, the working expenses are being met by Government) to make both their ends meet, and their sound working and stability of existence would be jeopardised. I therefore strongly recommend that Government may be pleased to order the continuance, in the case of (the) land mortgage institutions, of the facilities granted to co-operative societies in Government notifications Nos. F.L.1300/ B.51-09-2 dated 9-9-1910 and Nl.5134/B, dtd. 35-05-13 dated 16-2-1906 for a period of at least 5 years from 1st August 1931, at the end of which, the position may be reconsidered.

I have the honour to be,

Sir,

Your most obedient servant,

H H Ramaya

Registrar.

Letter No.S.I.143 dated 8th October 1931 from the President, the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City, to the Registrar of Co-operative Societies in Mysore, Bangalore.

With reference to Government Notifications Nos. D.316/C.S. 13-31-4 and D.311/C.S. 3-31-3 dated 15/17th and 17th July 1931, respectively, directing the partial withdrawal, from 1st August 1931, of the concessions previously enjoyed by Co-operative institutions and members thereof in the matter of exemption from liability to pay the stamp and Registration fees on documents executed by them, in connection with the business of such institutions, I have the honor to forward herewith a copy of resolution No.7 recorded on the subject at the meeting of the Bank's Board of Directors on 5th ultimo and to request that, as the withdrawal of the concessions referred to will seriously prejudice the successful working of the Land Mortgage Institutions which deal entirely with loans on the mortgage of the lands of poor and indebted agriculturists and which are all/still in a stage of infancy, Government may be kindly moved to continue, at least in the case of Land Mortgage Institutions, all the concessions that were being previously enjoyed by Co-operative Societies.

"Copy"

K H Ramaya 79

Registrar.

Extract of Resolution No.7 of the proceedings of the Eleventh meeting of the Board of Directors held on Saturday the 5th September 1931.

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7. Read (1) Government Orders No.D.316/C.S. 13-31-4 and No. D.311/C.S. 3-31-3 both dated 17th July 1931, the Registrar's circular No.7 dated 28th July 1931, and Deputy Registrar's letter No.1281/C.S. dated 11th August 1931, regarding stamp, registration and search fees payable by Co-operative Societies.

"Resolved that a representation be made to Government through the Registrar of Co-operative Societies urging the continuance of all the concessions that were being enjoyed till now by Co-operative Institutions and pointing out that the withdrawal of the concessions particularly in the case of Land Mortgage Institutions which deal entirely with loans on the mortgage of lands and are still in an infant stage will seriously prejudice the successful working of the Institutions."

Sd. K.R.Srinivasiengar,
President,
The Mysore Co-operative Land Mortgage Bank, Lt

"Copy"

Registrar.

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Appendix F G—1

SUBJECT.....

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Section L 77

File No. 22 - 31

Serial No. 2

No. D 3335

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

To

The Regr of C.S.

in Mysore,

Bangalore

Date of issue 31/12/31

Signed by H. R. Muddukrishna

Sir,

With reference to your letter no: 3824/CS dated 7.12.31 requesting exemption on behalf of the Land Mortgage Institutions in the State from payment of all fees under the Stamp and Registration Regulations for a period of at least five years from 1.8.31, I am directed to state that L.M. Institutions being essentially Co-operative institutions, they cannot expect a treatment different from that accorded to other Co-operative institutions in the State

[over

forwarding a copy of letter received from the President, L. M. Bank, Requesting Continuance ~~at least~~ in the case of L. M. Institutions all the Concessions that were being enjoyed by Co-op. Societies prior to 1.8.31 viz full exemption from payment of all fees under the Stamp and Registration Regulations and recommending

List of enclosures.....

Copied by.....

Examined by.....

P.T.O.

Asstt Sec Math and L Govt: do not consider it necessary to reconsider the orders already passed in this respect.

in ~~Contempt P. 316/C.S. 3-31-4 and~~

~~P. 311/C.S. 3-31-3 dt 19-7-37~~

J

Shave ch.

NM 24/12

Dev: Secy: to Govt:

24/12/31 GS 23/12

30th December 1931

No D 3335

The Registrar of Co-operative Societies in Mysore,
Bangalore.

With reference to your letter No.3824/CS. dated 7th December 1931 forwarding a copy of letter received from the President, Land Mortgage Bank, requesting continuance in the case of Land Mortgage Institutions all the concessions that were being enjoyed by Co-operative Societies prior to 1st August 1931 viz., full exemption ~~for~~ from payment of all fees under the Stamp and Registration Regulation and recommending exemption on behalf of the Land Mortgage Institutions in the State from payment of all fees under the Stamp and Registration Regulation for a period of at least five years from 1st August 1931, I am directed to observe that Land Mortgage Institutions being essentially Co-operative Institutions, they cannot expect a treatment different from that accorded to other Co-operative Institutions in the State, and to state that Government do not consider it necessary to reconsider the orders already passed in this respect.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Development Department.

FP 31/12

Fair Off

W.2.